

**BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

<b>IN THE MATTER OF</b>	§	
<b>SECTION 272(f)(1) SUNSET OF THE</b>	§	
<b>BOC SEPARATE AFFILIATE AND</b>	§	<b>WC DOCKET NO. 02-112</b>
<b>RELATED REQUIREMENTS</b>	§	
	§	
<b>2000 BIENNIAL REGULATORY</b>	§	
<b>REVIEW SEPARATE AFFILIATE</b>	§	<b>CC DOCKET NO. 00-175</b>
<b>REQUIREMENTS OF SECTION 64.1903</b>	§	
<b>OF THE COMMISSION'S RULES</b>	§	

**COMMENTS OF THE OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF  
TEXAS**

**NOW COMES THE STATE OF TEXAS (State)**, by and through the Office of The Attorney General of Texas, Consumer Protection Division and files these its comments on the Further Notice of Proposed Rulemaking released May 19th, 2003 in FCC Order No. 03-111. These comments are timely filed pursuant to the Commission's subsequent order in DA-03-1887.

The Office of the Attorney General submits these comments as the representative of state agencies and state universities as consumers of telecommunications services in the State of Texas. We have previously addressed, in comments filed with this Commission in WC Docket 02-112, the need for continuation of the separate affiliate requirement, and believe that there is a need for continued regulation of the dominant carriers, should the separate affiliate requirements be ended, which is similar, if not identical.

First, we endorse and support the comments of the Public Utility Commission of Texas as filed and fully support its recommendation that, following sunset, SBC Texas should be required to keep separate books for its provision of long distance service, and that a separate division be

required for in-region services. Only these types of safeguards will allow allegations of discriminatory practice to be adequately investigated. As the governmental body in Texas primarily charged with investigating charges of improper discrimination, the Texas Commission, as it has stated in its comments, is well aware of the importance of the ability to obtain separate financial information regarding BOC interexchange services.

In ¶14, the Commission inquires about the extent to which LECs maintain market power. SBC Texas continues to possess substantial market power in the provision of services in Texas such that it continues to have the incentive to discriminate. The years 2001-2002 have seen the exit of numerous competitive LECs from the Texas marketplace, and SBC Texas has gained increasing market share.

In fact, and in response to ¶24 of the Commission's *Further Notice*, it appears that SBC Texas has increased its long distance market share to 41% in 2002.

For these reasons, and those espoused by the Texas Commission, should the §272 separate affiliate requirements be prematurely sunsetted, we support the continuation of dominant carrier regulation of the Bell operating companies.

The Office of the Attorney General of Texas appreciates this opportunity to provide reply comments on this Notice of Proposed Rulemaking.

Respectfully submitted,

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Date: June 30, 2003